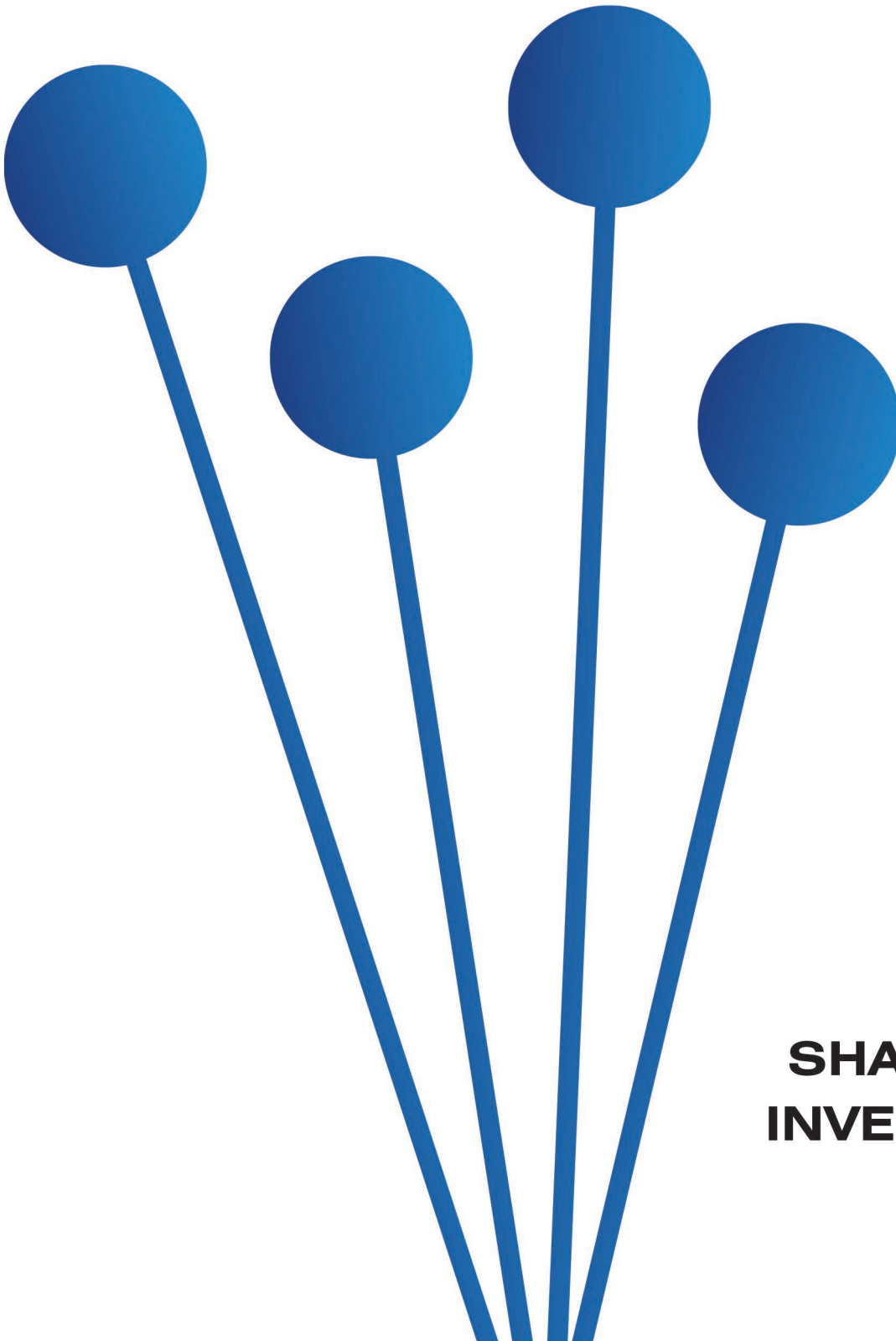


Department of Treasury and Finance

Investment Management Standard

Tips and traps

Solution definition workshop



**SHAPE NEW
INVESTMENT**



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1. Purpose of this document

This is the fourth of four guidance documents within the ‘shape a new investment’ series of tips and traps, written primarily for facilitators. It provides practical tips and guidance on how to successfully facilitate an initiative-level Solution Definition workshop and prepare an investment concept brief (ICB), consistent with the Investment Management Standard (IMS) version 5.0. It is assumed you have already read the first three guides within this series.

What is contained in this document assumes you have read and understood the IMS – its principles, practices and the theory upon which it is built. It is available on the investment management website at www.dtf.vic.gov.au/investmentmanagement.

This document is also used in the facilitator training course. Further detail on the facilitator training course can be found on the investment management website.

2. Solution Definition workshop

2.1 Purpose of a Solution Definition workshop

The three previous workshops established the need for an investment and the preferred strategic response. It is now necessary to specify a solution consistent with the strategic response – a case of a problem driving a solution. The Solution Definition workshop will identify:

- what business changes will be needed to implement the strategic response;
- what assets (if any) will be required to support these business changes;
- the defined solution (expressed as the changes and assets) and show how this investment will deliver the investment key performance indicators (KPIs) identified in the benefit management plan; and
- what costs, risks, timeframes and disbenefits are associated with the defined solution.

2.2 Responsibility of the facilitator

It is the responsibility of the facilitator to help the participants develop the most compelling, evidence-based case for investment that they can. The output of the Solution Definition workshop is to determine the elements of the preferred solution that is then reflected in the Investment Logic Map (ILM) and in an investment concept brief (ICB). Good facilitation will challenge the proposed solution and may improve it by either:

- introducing innovation;
- identifying additional changes required to deliver the expected benefits; or
- defining a solution that will deliver additional or higher value benefits.

To be successful, the facilitator must:

- make sure the right people attend the ‘identify the solution’ informed discussion and that two hours has been allocated for the discussion;
- ensure the solutions architect or project manager are prepared to discuss the preferred changes and assets;
- conduct the discussion according to the guidance provided in this document; and
- take action to finalise the discussion, including updating the ILM and the ICB within 48 hours.

In developing the ICB you will provide the investor with sufficient information to decide whether the investment is worth further consideration.

The place of this discussion within the ‘line of enquiry’ that underpins the IMS is depicted in Figure 1. There are three individual steps within this discussion:

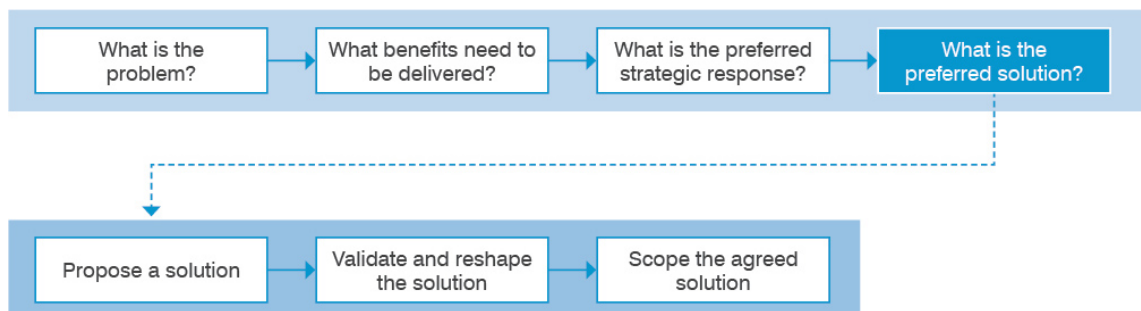


Figure 1: Line of enquiry – Solution Definition workshop

Note: The effectiveness of the ICB can be assessed using the ‘Quality assessment form – investment concept brief’ (Appendix 2). These forms need not be completed each time a Problem Definition workshop is held but are required for facilitator accreditation and re-accreditation.

2.3 Who should be there?

The key person is the investor who has the business problem and who will be responsible for delivering the benefits if this investment is funded. In addition, the following should attend:

- people who participated in the previous workshop, who have most knowledge of the solution environment, should attend;
- people with specialised knowledge of the solution and how to deliver the investment successfully.

The people who attend the workshop will need to fill the following roles.

- **Solutions architect / project manager:** this person will play a key role and must be prepared before the workshop. Make sure they understand their role and ask that they provide you with the solution they plan to table. Ask them to identify how they arrived at that particular set of changes and assets and what others were considered and why their proposed solution reacted best to the identified interventions and would produce the most benefit.
- **Innovator:** this person is a recognised leader in the field. They are often from outside the team or organisation and are recognised subject matter experts. This person will bring some new thinking regarding approach and options.
- **Implementer:** this person is responsible for developing the business case and linking the investment outputs and project outputs. For a large investment it might also be someone who is outside the project team but has been involved with this kind of project previously. They will bring insights around timing, risk management and investment shaping.
- **Strategist:** this person understands how the investment will assist in delivering broader organisational and government-level goals and policies.

Each role must be represented. To do this it may be necessary to bring specialists in the field of the investment into this workshop. The number of people involved might be five to eight, depending upon the nature of the investment.

2.4 Before the workshop

Provide the investor with a copy of ‘Define the solution’ and ask that they nominate the people who will play the nominated roles in shaping the solution.

Have the investor send an email outlining the purpose of the workshop to the participants. ‘Sample email – before the Solution Definition workshop’ (Appendix 4) may help. The current IMS products should be included with this message.

Enlist the support of the solutions architect or project manager, or someone from the group who is responsible for exploring and proposing the key elements of the solution (changes and assets). The solutions architect develops and proposes the ‘best likely solution’ based on the discussions of the previous workshops and their own expertise. The solutions architect should list all the options considered and why they have selected their preferred option. The preferred options should then be depicted on the ILM. This provides a ‘straw man’ against which the discussion participants can argue. If it is non-existent or not well considered the chances of a good outcome are reduced.

Make sure the venue that has been reserved 30 minutes prior to the workshop beginning, can accommodate the number of participants comfortably and has a suitably sized whiteboard – preferably one that can produce screen copies. Access to a flip chart is also helpful. It is wise to take some working whiteboard markers with you as well.

2.5 At the workshop

General tips

Arrive 20 minutes early and draw the ILM on the whiteboard and include the proposed solution. The problem, benefits and strategic response column can be relatively small (just there to remind participants of the context). The proposed solution should be clear and central so you are able to use the right half of the board to list the key headings in the ICB – context, cost, timeframes, risks, disbenefits, critical dependencies and policy alignments. This content for each of these headings will be completed during the second half of the workshop. Be aware of the two-hour time limit and make sure you don't fall behind the set agenda as this will diminish the quality of the ICB that is developed in the final 30 minutes.

See an example of a 'Solution definition workshop agenda' (Appendix 3).

2.6 Step 1: Setting the scene

Set the context and objective of the workshop, the roles of each participant, the approach, the time criteria and your role. Unless everyone is clear about their roles time will be lost as the workshop proceeds. This is particularly important where the number of people is large.

Make it clear that the discussion will be finished in two hour - there is no 121st minute!

Why are we here?

We are here to have an intelligent and open discussion that will extract the story of this potential investment. This investment story will be in the form of a two-page document that depicts the logic underpinning an investment and identifies the likely costs, risks, dependencies and deliverables of the proposed solution. It is used to summarise the merits of an investment and so allow decision-makers to prioritise competing investments before proceeding to a business case. It includes the ILM. Where have we got to at the moment?

[Hand out the current ILM to those who haven't arrived with their copy and a sample ICB.]

Our work so far tells the story around the need, value and approach to addressing the problem that caused us to consider investment. This is depicted in our ILM, benefit management plan, benefit map and our strategic options analysis documentation. We will be now be defining and validating that the logic and costs, risks, dependencies and deliverables of the proposed solution. We will need to ensure our investment continues to be clear, evidence-based, in plain English and can be understood by a layperson.

What is my role?

My role is as it has been throughout these workshops – to aid you in telling your story in a way that draws out the logic and helps you communicate and validate the compelling nature of this investment.

The investor's role

As the investor you are most important person in the room. This is your forum and you are responsible for delivering this investment. You are the person with the problem or opportunity who will be making or advocating the investment decision, and who will ultimately be responsible for delivering the benefits. Final decisions for this investment will be directed to you.

Solution architect/project manager

You are here to outline the preferred solution and take us through your thinking about the options that you considered.

Innovator

You are here to share your thoughts on the 'smartness' of our solution and ensure we have adequately considered opportunities that might be available to deliver greater benefits from our approach. We need you to consider whether this is innovative, or at least modern best practice, in the way it seeks to solve the business need.

Implementer

You are here to share your thoughts on the 'feasibility' of our solution. We need you to consider whether this is sound and feasible from an implementation perspective. Your experience working on other projects will be valuable.

Strategist

You are here to validate that the approach that we are taking aligns with our organisation's policies, strategies and architectures.

Other participants

As the other participants you are here to assist the investor to define and test the solution. You have been selected to participate because you know most about this problem and its impact, understand the benefits that are required and the strategic response that has been outlined and it is your insights that will help to shape the solution.

Outlining the problem

Hand out copies of the ILM as it stands and ask the investor to talk people through it so they understand the problem that needs to be solved, the benefits (with KPIs) needing to be delivered by any investment and the interventions included in the strategic response.

Encourage discussion so that, at the conclusion of 15 minutes, everybody shares an understanding of the need. There will be people at this session who have not previously been involved in the definition of the problem, interventions and benefits. They need to fully understand these and may want to debate them and change them. As a facilitator you need to be able to accept new critical comment that may result in minor change but not allow the discussion to become a complete review of the logic.

In extreme cases new participants may point to fatal flaws in the logic, in which case the investor may wish to terminate the conversation or revert to redefinition.

2.7 Step 2: Proposing a solution

Ask the solutions architect to briefly explain the high-level options considered as a response to the problem, consistent with the interventions. Manage any discussion resulting from this explanation with a view to obtaining consensus to the selected option.

Consistent with the proposed option ask the solutions architect to describe the detail of the solution. The solutions architect should use the drawing on the whiteboard to support this explanation.

2.8 Step 3: Reshaping the solution

Direct open discussion aimed at ensuring the participants have fully understood the proposed solution. The discussion that follows will encourage the strategist, innovator and implementer to question and suggest how the solution can be reshaped to improve the viewpoint they are representing. The whiteboard depiction of the solution should be altered as changes are identified and agreed.

Key questions

- Do these changes and assets, if required, align with our strategic interventions?
- Will these changes and assets, if required, deliver the benefits and KPIs?
- Can this investment be used to provide capabilities or assets that others might use in the future?
- Are there capabilities or assets in existence that might be used as part of the solution?
- Will the solution enable the benefits sought by the investor to be obtained?
- Will there be any 'disbenefits' – negative impacts that might result from the identified solution?

Costs

Now try to get a high-level view of cost. Ask participants to put a cost on each box of the solution. In all cases, this should be a range. In some instance it might be more sensible to bundle one or more changes and assets together into logical groups, for example:

- change – define elements of data dictionary and audit existing data; and
- asset – upgrade existing ICT software.

This would become one cost item.

There will almost certainly be a strong reluctance from participants to attempt this. Ask 'what is the lowest possible cost?' Then, 'what is the highest likely cost?'. This will provide a range. Try to get some agreement that this range is reasonable.

Total the costs lowest–highest to provide a high-level view of anticipated resources required that enables the investor to reflect on whether this investment represents value for money.

Sometimes it will cause further reflection on the solution and which elements deliver the most benefit. An investor may be happy to reduce potential costs by 70 per cent by removing a major asset element if 70 per cent of the benefits outlined can be delivered through business changes. Make any agreed changes on the whiteboard.

Note

The size of the range is a good indicator of what is known of the solution and the level of confidence decision-makers can feel.

Conclusion

At the conclusion of this exercise ask the strategist, the innovator and the implementer if, from their respective viewpoints, the proposed solution can be improved.

- Does it align with the organisation's policies, strategies and architectures?
- Is it innovative in the way it seeks to solve the business need?
- Does the proposed solution take advantage of new thinking and technologies?
- Is it sound and feasible from an implementation perspective?

Make any agreed changes on the whiteboard. Using this approach an agreed 'best likely solution' will be depicted.

2.9 Step 4: Scope agreed solution

With the agreed 'best likely solution' depicted on the whiteboard, using the knowledge of the participants, it is now necessary to scope the solution in the form of an ICB. At this point it may be useful to hand out 'Example – investment concept brief' (examples can be found at www.dtf.vic.gov.au/investmentmanagement).

The following questioning can be used to extract this detail**Context**

In a sentence, and on the basis of the combined knowledge, what is the compelling reason that this investment should be considered at this time? It will be drawn from the problem statements and should be no more than three lines. This can be done outside the workshop if you are short of time.

Costs

List three or four major cost items. You will have done much of this work earlier but it may still be necessary to create larger cost groupings. For example, all infrastructure changes may be consolidated into one item 'upgrade and additional new IT infrastructure'.

Timeframes

What are the timeframes of three or four key events that will demonstrate progress towards delivering the benefits? These should be drawn from an analysis of the individual solution boxes that comprise the solution. It is useful to include a couple of major project milestones as well as two items that reflect delivery of benefits.

Risks

Considering the solution as a whole, why won't it work? Note the potential risks on the whiteboard and then ask that they rate each (by criticality and likelihood). Then ask that they rank them in order of importance (assuming they can only note two or three).

Disbenefits

Most business cases only focus on the upsides. What are the downsides that will occur if this initiative is successfully implemented?

Critical dependencies

Are there assumptions being made that, if they didn't occur, would alter the need for or shape of this investment in some way?

Policy alignments

Ask that they nominate the primary policy of government to which this investment is responding.

Concluding the discussion

Advise the participants that within 24 hours, preferably first thing the next morning, they will be provided with ICB version 0.1. This will contain observations of the quality of the ICB and any suggestions for improvement. They will be asked to provide suggested changes within 24 hours. Within a further 24 hours you will distribute ICB version 1.0.

2.10 After the workshop

The Solution Definition workshop is used to identify and scope the type of solution that is likely to be required to respond to the business need and produce the benefits that are sought. What happens in the following 48 hours is just the finalisation of the workshop. This finalisation should be decisive and only include those people who participated. After the first version has been finalised it is then able to be provided to anyone to make whatever comments they wish.

Within 24 hours

- Update the existing ILM to reflect any agreed changes to the problem, interventions or benefits and to depict the agreed solution.
- Download the current version of the ICB format from the investment management website and populate it with the data collected at the discussion. Test its quality by using the 'Quality assessment form – investment concept brief' (Appendix 2).
- Make any observations about the draft ICB and suggest where its strengths and weaknesses are and how it might be improved.
- Send an email with version 0.1 of the ICB and your observations directly to each of the participants avoiding, if possible, channelling it through a single person. In the email ask that participants advise you, (and copy to all other participants), any suggested changes within 24 hours and that you will make changes and provide them with version 1.0 within 24 hours of that

time. All of this reinforces the ‘what do we think today’ principle that underpins this approach. See ‘Sample email – after the Solution Definition workshop’ (Appendix 5).

Within 48 hours

- Consider the feedback received to version 0.1 of the ICB and amend as is necessary – if no feedback has been received finalise the ICB as you think best.
- Send an email to all participants with version 1.0 of the ICB. Highlight that this has not just been an exercise in agreeing to the investment logic at one point in time (usually pre-funding) but is an enduring document that should be changed to reflect a changing story throughout the investment lifecycle. The solution outlined initially in the ICB may be challenged and reshaped as a result of further analysis during business case preparation. If major changes occur to the solution then the ICB will need to be reviewed to ensure it reflects the new solution.
- The ICB should be the primary reference document at each meeting of a project’s governance body and a current copy should be available to all stakeholders and anyone working to implement the investment.

2.11 Templates and examples

The templates and examples are available for download at www.dtf.vic.gov.au/investmentmanagement.

The function of the ICB is to articulate on two-pages the logic underpinning an investment together with the likely costs, risks, dependencies and deliverables of the proposed solution. Refer to ‘Design guidelines – investment concept brief’ (Appendix 1) to ensure it effectively summarises the merits of an investment and allows decision-makers to efficiently prioritise competing investments before proceeding to a business case.

Appendix 1. Design guidelines – investment concept brief

These have been developed to assist facilitators to develop high-quality ICBs. Any of these rules can be broken but in doing so be aware of the impact it will have on the storytelling.

Item	Practice	Reason
Template	Always use the current ICB template. Do not alter the template and stick to the one-page format. Current templates can be found at www.dtf.vic.gov.au/investmentmanagement .	Formats continue to improve to make them more useful as communication tools and contain better information.
Use of words	Be brief, clear and specific in your statements.	It forces you to be precise in the words you chose to convey your message. It also maintains clarity and consistency when reading the ICB.
Use of ranges	Express timeframes and costs in ranges from lowest to highest.	Forces realistic estimates to be made.
Completing the control fields	Ensure the document control fields have been completed, in particular: <ul style="list-style-type: none"> • investment name; • department/agency/organisation name; • investor name; and • facilitator name. 	Provides legitimacy and accountability to the investment.

Appendix 2. Quality assessment form – investment concept brief

The purpose of this form is to assist an investor, facilitator or anybody with an interest to assess the quality of an ICB that has been developed under the Investment Management Standard.

Test 1: The ILM has probably changed as a result of the Solution Definition workshop. Based on the quality assessment form for ILMs, is the ILM contained in this concept brief of a satisfactory quality?

Assessment:
YES / NO / MAYBE

Any comments?

Test 2: Is the solution both understandable and logical to a lay-person and are the changes a reasonable response to the strategic interventions that were identified?

Assessment:
YES / NO / MAYBE

Any comments?

Test 3: Is there an accurate translation between the solution depicted in the ILM and the solution assessed in the text of the ICB?

Assessment:
YES / NO / MAYBE

Any comments?

Test 4: Has the required detail been provided under each of the headings of the ICB?

Assessment:
YES / NO / MAYBE

Any comments?

Test 5: Is there sufficient detail to support the person making the investment decision?

Assessment:
YES / NO / MAYBE

Any comments?

How do you rate this ICB?

Assessment:
SATISFACTORY/
UNSATISFACTORY

Any comments?

Appendix 3. Sample agenda – Solution Definition workshop

Solution Definition workshop for a higher complexity investment (two-four workshops)

Before the workshop	
15–20 minutes	Set up the whiteboard
At the workshop	
5 minutes	Introduction and outline of purpose and role
5–10 minutes	Review of current ILM – problems, benefits and strategic response
30–35 minutes	Outline and shape the solution and record changes and assets
5–10 minutes	Cost the solution
55–60 minutes	Complete the ICB

Appendix 4. Sample email – before the Solution Definition workshop

[Greeting]

You may or may not be aware of the business need we have in relation to [investment name] and the thinking we have been doing to shape an investment that will respond to that need. Consistent with the Victorian Government's Investment Management Standard we have already held the 'identify the problem and benefits' informed discussions, which form the basis of any investment.

Consistent with this approach we will now hold a two-hour Solution Definition workshop, with the aim of defining and scoping the most likely best solution to our identified problem. The guideline for this discussion is attached. We would like you to participate in this discussion in the capacity of the [strategist/innovator/implementer]. No preparation will be required as the format of the discussion will allow us to all understand the problem, consider a proposed solution to the problem and shape it so it can provide the best result.

The discussion will be held as follows:

Date:

Time:

Venue:

The end result of this exercise will be an investment concept brief [example].

Please let me know if you are able to attend.

If you would like to read more about the benefits and practices of this approach you should refer to www.dtf.vic.gov.au/investmentmanagement.

[Sign off]

Appendix 5. Sample email – after the Solution Definition workshop

[Greeting]

Thanks for your participation at yesterday's Solution Definition workshop for [investment name]. I have attached version 0.1 of the investment concept brief that we produced and ask that you provide me with any suggested amendments by close of business today. I will then make any necessary changes and have version 1.0 to you by close of business tomorrow.

...my observations

[any observations on the investment itself or the process and any suggestions that might improve the case for the investment or the strength of the investment concept brief]

...about investment concept briefs

An investment concept brief provides any interested party with a clear understanding of the logic that underpins a potential investment. It should be written in plain English so that anyone can understand it and make a judgement as to its worth.

The creation of an investment concept brief is not just an exercise in agreeing to the investment logic at one point in time (usually pre-funding). It is an evolving document that should be changed to reflect a changing story throughout the investment lifecycle. It should be the primary reference document at each meeting of the governance body and a current copy should be available to all stakeholders and anyone working to implement the investment.

[Sign off]

